

VETERANS INTEGRATED SERVICE NETWORK (VISN) 12 CARES OPTION I

THE NORTHERN MARKET

Encompassing all of Michigan's Upper Peninsula and eleven counties in northeastern Wisconsin, the Northern Market serves a large, rural and sparsely populated area. The Iron Mountain, Mich., VA Medical Center is the only VA hospital in this market. For purposes of the CARES study, the Northern Market was divided into six submarkets, based on the distance from Iron Mountain and proximity to population clusters. Each submarket has a community-based outpatient clinic (CBOC).

The Iron Mountain VA Medical Center

Located on a 28-acre campus, the Iron Mountain VA Medical Center is situated roughly in the center of the Northern Market. It is the parent facility for six CBOCs (Marquette, Menominee, Rhinelander, Hancock, Sault Ste. Marie and Ironwood). The medical center's telemedicine program, operated in conjunction with the Milwaukee VA Medical Center, is one of the most sophisticated and extensive telemedicine programs in the United States. Through this program, Iron Mountain has been able to make psychiatric services available to every CBOC in the Northern Market. It also provides teleradiology and telepathology programs. There is no educational affiliation at Iron Mountain, but it does support training programs in nursing and allied health.

PROJECTED NEEDS IN THE NORTHERN MARKET

The projected number of enrollees in the Northern Market in 2010 is 16,000. While this represents a decline, the demand for medical and surgical beds is predicted to be higher in 2010 than the number currently provided at the Iron Mountain VA Medical Center. Because the Northern Market is very rural, and private-sector health care resources are sparse in this area, there is a demonstrated need for continuation of the VA medical center. Twenty medical and ten surgical beds, therefore, are projected to be needed in 2010.

Iron Mountain Statistics

	<u>2000</u>	<u>2010</u>
Bed capacity	96*	89 (up to 92)
Inpatients treated	1,098	
Enrolled veterans		16,000
Occupancy rate	94%	
Average daily census	65	
Outpatient visits	177,422	204,252
Number of employees	370.8 (full-time employee equivalent)	

* Acute bed capacity is 22 (which includes 11 medical-neurological-rehabilitation, 1 surgical, 4 medical intensive care, 1 surgical intensive care and 5 23-hour observation beds. In addition, there are 40 nursing home beds, 12 residential rehabilitation beds and 22 "hoptel" beds.

FINAL OPTION I

The final option selected under the Capital Asset Realignment for Enhanced Services (CARES) process for the Northern Market is Option I. Under this option:

- The Iron Mountain VA Medical Center's acute and long-term care wards in building one will be renovated. The option provides 89 beds (with space for 92), including 48 nursing home beds, 20 medical beds, 10 surgical beds, 7 residential rehabilitation beds and 4 psychiatric beds.
- A CBOC is recommended in Gladstone (Delta County), Mich. With the addition of this CBOC, a projected 64 percent of enrollees in the Northern Market will be within 30 minutes of a primary care facility.
- The medical center maintains its current role as a telemedicine hub.

CARES OPTION I FOR THE NORTHERN MARKET QUESTIONS AND ANSWERS

Q. If so few veterans are projected to use Iron Mountain in the future, why was this hospital not recommended for closure?

A. The contractor that conducted the CARES study surveyed the availability of non-VA health care providers in the Northern Market. Because of veteran reliance on Iron Mountain and the lack of other health care services in the community, the contractor did not identify Iron Mountain for closure. In addition, there will be no routine contracting out for services for veterans in the outlying areas, and additional beds have, therefore, been added to Iron Mountain as well as increased capacity for outpatient care.

Q. If the enrollee population in the Northern Market is expected to decline by 2010, why are 20 medical beds projected for 2010 – the same number currently in use?

A. It may be that the current demand is artificially suppressed because of the lengthy travel times required to get to the medical center. Future demand for inpatient care may increase if these barriers were reduced or if care through community health care providers becomes unavailable.

Q. What are the savings over the next 20 years as a result of these changes under the CARES process?

A. The projected savings over the next 20 years for all of VISN 12 could be as much as \$725 million in current dollars. These funds will be used throughout the VISN to enhance inpatient and outpatient care, special disability programs and long-term care.

Q. What are the costs associated with implementing Option I?

A. The costs to renovate the acute and long-term care wards and activate the Gladstone community-based outpatient clinic (CBOC) are an estimated \$7.6 million.

Q. When will these changes be put into effect?

A. These changes will be carried out gradually over a period of years. Considerable flexibility will be built into implementation plans for changes under all the CARES options, with the leadership of VISN 12 directly involved in the planning process.

Q. Why is no contracting out for care included in this option?

A. No routine contracting out for services was provided for veterans in the more remote submarkets. Despite the decline in enrollees, additional beds have been added to the Iron Mountain VA Medical Center as well as increased capacity for outpatient care. With the addition of the CBOC in Gladstone, 64 percent of enrollees will be within 30 minutes of a primary care facility.

Q. There has been some criticism that the CARES contractor did not consider VA's homeless and psychiatric populations, and the effect these patients have on inpatient and outpatient workloads. How will VA address these patient populations with special needs throughout the VISN?

A. This is incorrect. The contractor *did* consider special patient populations and analyzed homelessness trends to ensure that the needs of these veterans would be met. In addition, special patient populations, such as spinal cord injury, severe mental illness and post-traumatic stress disorder, were analyzed to ensure VA facilities in VISN 12 could meet their needs. All of these special-emphasis programs are maintained or enhanced under the VISN 12 options.

Q. How many comments were received during the public comment period?

A. VA received a total of 13,206 for all of VISN 12. These comments include: 2,104 letters or comment sheets; 785 e-mails; and 10,317 signatures on petitions. The Northern Market received only seven comments.

Q. What is the schedule for future CARES studies?

A. The first phase of the CARES process was a pilot study of VISN 12. A reassessment of the pilot study process has been conducted and is being evaluated. Subsequent CARES studies will be conducted in all remaining 20 VISNs. This process is expected to be completed in two years.